

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1127 - SB 1381

March 6, 2021

SUMMARY OF ORIGINAL BILL: Establishes various requirements for homeowner's associations (HOAs) and HOA members concerning long-term rental properties.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004377): Deletes and rewrites all language after the enacting clause such that the substantive changes: (1) remove certain information which HOAs were required to provide upon written request; and (2) specify that the vested right to lease property applies to single family residential real property.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- The proposed legislation concerns transactions and covenants between private parties; therefore, any fiscal impact to state and local government is estimated to be not significant.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The proposed language:

- Requires HOAs to provide specific information regarding amendments to HOA covenants regarding long-term rental properties;
 - Establishes that single family residential real property owners subject to an amended HOA declaration which prohibits long-term rental properties has a vested right to continue using the property as such until the property is transferred to a new owner; and
 - Requires businesses who own residential property subject to HOA declaration to provide certain notice to HOAs.
- The proposed language will not result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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